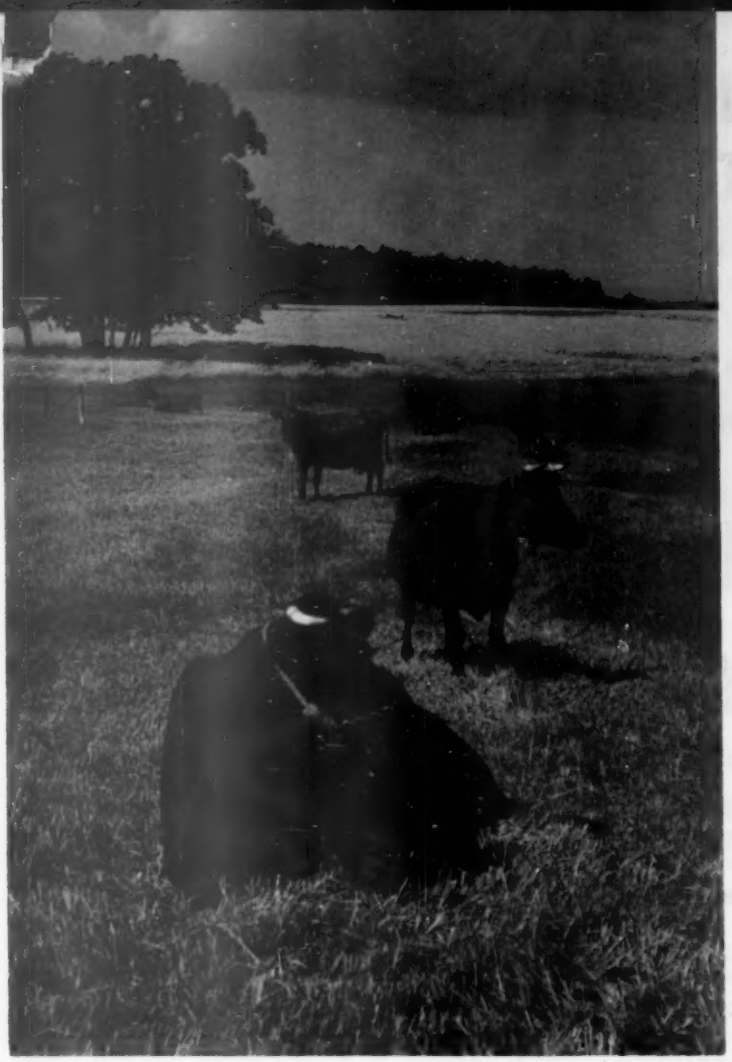

MARCH 25, 1963

DENMARK'S MARKET CRISIS

WORLD COCOA SITUATION

BIG WORLD COTTON CROP

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

THE UNIVERSITY OF MICHIGAN

PERIODICAL READING ROOM

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
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Including FOREIGN CROPS AND MARKETS

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Typical Danish scene—rich pasturelands plus quality stock, like these Danish Reds. Photo, courtesy of Danish Embassy.

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Windmill dominates Danish landscape

Denmark Faces A Market Crisis

By HAROLD L. KOELLER
U.S. Agricultural Attaché, Denmark

Danish agriculture is passing through a crisis resulting from increasing difficulties in marketing its livestock products abroad.

Danish farmers had hoped that early membership in the European Common Market, expanded to include Great Britain, would give them larger markets for their beef, pork, dairy products, poultry, and eggs at remunerative prices. That hope was shattered by the breakdown in negotiations between the European Economic Community (Common Market) and the British Government.

Since Great Britain is the largest single foreign market for its agricultural products and a partner in the European Free Trade Area, Denmark does not plan to join the Common Market until Britain is accepted. Meanwhile, Danish farmers fear they will lose an even greater part of their German market, which represents nearly one-fourth of all agricultural exports, as Common Market agricultural import controls are gradually tightened. Low prices and restricted markets for some farm products are therefore expected to plague Danish farmers until Denmark is able to join the Common Market sometime in the future.

The importance of exports to Danish farmers is indicated by the fact that three-fifths of all agricultural production is exported—the highest percentage of all countries in the world except New Zealand. Farm exports, including processed products, also are critically important to Denmark as a source of foreign exchange since they provide about 50 percent of all export earnings.

British and German markets

The United Kingdom and West Germany together absorb about 65 percent of Denmark's agricultural exports. Britain takes nearly all of the Danish bacon exports (in the form of Wiltshire sides) and most of the butter exports. However, the British quota on butter imports limits sales. West Germany takes nearly all of the live cattle, broilers, and eggs exported, and 44 percent of the cheese.

With the coming into force of the Common Agricultural Policy of the European Common Market at the end of last July, Denmark began to experience difficulties in selling some of its products, especially broilers to West Germany. Egg exports already had dropped when Germany increased import levies in June. Sales of live cattle to Germany were smaller because of increased German slaughterings (and reduced import quotas). These difficulties emphasized the danger of too-great dependence on one or two markets. This has been a long-recognized problem but, despite efforts to develop other markets, Denmark still must look to Britain and Germany as the major outlets for its livestock products.

Today the Danish Government is negotiating with Britain and other countries in an attempt to find new or larger outlets for its products now sold to Germany and other Common Market countries. Only Britain is a large enough market to be of much help. However, Britain already buys 70 percent of its bacon imports from Denmark, and there is no restriction on imports. When Denmark requested an increase in the British quota for Danish butter, the British Government responded by increasing the quotas for all suppliers by 5 percent. Denmark's share was increased by 4,800 metric tons to 98,000, but this will be only of slight assistance to Danish farmers.

Farmers recognize problem

Danish farmers realize that to maintain their exports at recent levels, they will have to continue to sell a large part of their output in Germany and also to develop new overseas markets. To do this they intend to increase their

Top left, removing Danish cheese from vat for storage; top right, Denmark's famous cured hams. Left, Jutland cattle graze on lush pastures. Livestock products are the country's biggest moneymakers on world farm markets.

Photos, Danish Information Office

production efficiency and step up their trade promotion.

In 1962 the Danish Parliament passed a law permitting consolidation of two small farms into one larger unit with a maximum size of about 44 acres. Previously it was unlawful to discontinue farming any farm, and consolidations were not allowed. (About 92,000 Danish farms are smaller than 25 acres and 104,500 are larger, but only 3,500 are 150 acres or more in size.) Provision for more extensive farm consolidations would foster more economic units.

It is also recognized that farmers need to improve their processing and marketing structures through consolidation of small dairies and investment in new processing plants and equipment. On the whole, the medium and large farms of Denmark already are highly mechanized and use large amounts of chemical fertilizers and pesticides as well as modern crop production methods. But production costs could be lowered by use of more labor-saving equipment, which the rising cost of labor is expected to bring about.

Market promotion intensified

On the trade promotion side, the Danish Agricultural Marketing Board and various commodity groups already are promoting sales of Danish products in West Germany, Great Britain, Switzerland, and other countries, including underdeveloped areas. These activities are now supported by the government, although they were begun years ago by farmer cooperatives and the semi-official commodity export boards.

Among other things, the government hopes that the bilateral trade agreement with Germany can be continued in force, at least in part, despite Germany's Common Market commitments. This provides for sale of Danish live cattle and other products. In bilateral negotiations with the United Kingdom and Sweden, the Danes are seeking larger quotas, lower duties, or other measures that would increase sales in those countries.

Any slowdown by the Common Market in the implementation of new regulations for commodities not now included, such as dairy products and beef, would be of some help to Denmark. The special arrangement Denmark had with the Common Market for guaranteeing to sell poultry at the lockgate price or above and thus avoiding payment of the supplemental levy of about 2.3 cents a pound has been discontinued, as Denmark felt that, with U.S. and other broilers on the German market, it would be more competitive pricewise if exporters paid the levy and were not required to sell at the lockgate price.

Farm-income crisis

The low export prices in recent years and reduced production of dairy products and eggs caused by foreign marketing difficulties have seriously limited farm income. Danish farmers historically have been exporters of livestock products at world prices, and they seldom looked to their government for financial assistance. However, during the present crisis farm income has fallen drastically, so that beginning in 1961 government assistance to Danish farmers has been quite extensive.

There are direct subsidies paid farmers on the basis of the number of cows they own—up to a certain limit, subsidies to smallholders paid according to the size of farm, refund of county taxes, rebates on fertilizer, financing of market promotion, and support of wheat and feed grain prices. In addition, since October 1962 there has been a domestic price scheme which has increased the price of beef, pork, poultry and eggs in Denmark through the collection of a fee. This fee is paid to farmers as an addition to their selling price, adjusted for the proportion of each kind of livestock or product which is consumed in Denmark rather than exported. There is a similar scheme for butter consumed domestically.

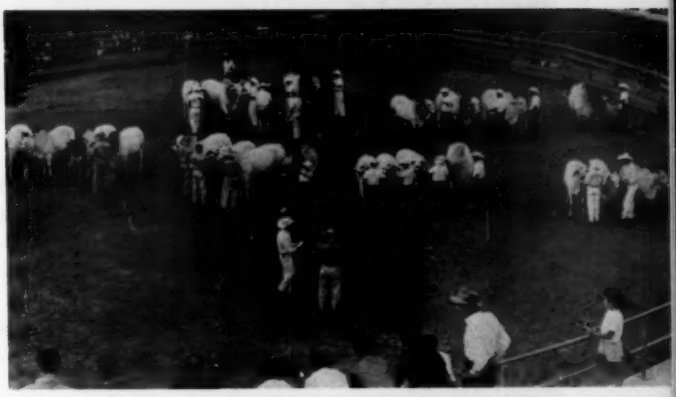
Costa Rica Host to Central American Livestock Show

Central American livestock producers displayed the high equality of their purebred cattle and horses early this month during the area's second livestock exposition, held at San José, Costa Rica. A crowd estimated at 250,000, including a number of Costa Rican government officials, members of the diplomatic corps, and visitors from U.S. breed associations, watched the judging of the 452 registered animals, valued at more than $6 million.

Giving the keynote address, Dr. Raul Blanco Cervantes, Costa Rica's First Vice President, commended the livestock producers for the cooperative effort they had made, and compared it with the way Central American countries are working together for economic integration.

For the 249 dairy cattle and 126 beef cattle, Dr. H. H. Kildee, Dean Emeritus of Iowa State University, was the official judge. He performed this service at the request of the show's executive committee, FAS making the arrangements through its market development program.

Guernseys dominated the dairy breeds with 68 entries; Brahmans, the beef breeds, with 97. Costa Rican breeders entered 306 head of cattle, Guatemalans 50, and Nicaraguans 18; Panama's entry was the outstanding Brangus bull.



Right, Costa Rica's Vice President and U.S. Ambassador Raymond Telles admire a Brahman entry; right above, Brahman bulls are being judged.

These subsidies and home market fees increased farm income during 1962-63 by approximately $140 million. Aid to agriculture is expected to be continued in 1963-64 at about the same level, and a farm program of this sort will probably continue to be necessary until new arrangements are adopted at the time of Denmark's entry into the Common Market. Farm organizations have stated that assistance should be increased in view of the seriousness of the farm-income crisis.

U.S. farm exports affected

Since sales of U.S. feed grains, soybeans, and soybean meal to Denmark depend in large part on the level of livestock production, the present crisis is not favorable to U.S. exports of these commodities. Denmark usually imports nearly 1 million metric tons of barley, corn, and grain sorghums, about one-half from the United States. Because of large grain crops in 1962, imports this season will be somewhat lower. However, if Denmark is unable to maintain its exports of dairy and poultry products, the need for feed grain imports will be reduced. Use of soybean meal as a protein source in mixed feeds is increasing, but soybean imports might suffer also.

If Denmark joins the Common Market later on, which seems probable, the market for U.S. feed grains is likely to be reduced through discriminatory import levies which will favor French grains. Although the market for U.S. soybeans conceivably could increase and sales of cotton and prunes might not be seriously affected, Denmark might then buy less tobacco, rice, raisins, citrus fruits, and canned fruits from the United States than in recent years. On the other hand, the impact of liberal Danish attitudes on the Common Market and the trend away from protectionism toward outward-looking policies—which could be expected to follow the addition of Denmark's surplus agricultural production to the Common Market's supplies—might benefit the overall agricultural interests of the United States.

DANISH AGRICULTURAL EXPORTS TO PRINCIPAL MARKETS, 1962

Item	To all destinations	United Kingdom	West Germany	All EEC countries [1]
	Mil. dol. [2]	*Percent of total*	*Percent of total*	*Percent of total*
Slaughter cattle	54.7	—	81.3	95.8
Other live animals	17.9	0	65.1	92.3
Bacon (Wiltshire sides)	196.0	98.8	.3	.3
Other meat products [3]	173.8	19.1	12.4	24.8
Butter	95.2	83.6	9.0	10.3
Cheese	50.0	13.1	44.4	55.4
Other dairy products	38.4	17.7	15.9	16.4
Poultry meat	36.2	6.6	77.0	77.9
Eggs	28.2	.7	77.7	81.0
Other agricultural products	164.9	13.1	23.3	37.0
Total agricultural exports	855.3	40.4	23.8	31.4

[1] Including West Germany. [2] Dollar equivalent converted from Danish Kroner; $1.00 = 6.90 D.Kr. [3] Except poultry meat; includes canned meat products. [4] Including processed agricultural products, e.g., vegetable oils, animal fats.

A Look at the World Cocoa Situation

What is happening to world cocoa output?

That question has special interest this week, as

FAO's Cocoa Study Group meets in Trinidad.

The United States it the world's largest importer and consumer of cocoa. Here, the shifting patterns of cocoa production and marketing are watched with as much concern as they are in West Africa and Latin America, where nearly all the world's cocoa is produced.

This year, world cocoa production has reached a high level for the fourth successive time. But there are indications that the upward trend may be leveling off.

The 1962-63 crop is now estimated at 1,163,000 metric tons—still second only to the 1960-61 record of 1,187,000 tons, but considerably under the early-season prospect. One reason for the change was bad weather at harvest in West Africa, where over two-thirds of the world crop is produced. Another was less government emphasis on subsidized spraying programs and lower price guarantees to growers in several major producing countries.

The big question now is whether the steady increase in production has reached a plateau or undergone a temporary interruption. If governments elect to provide attractive price supports and other production incentives, world outturn will resume its upward trend.

On the other hand, if governments in key cocoa countries, notably Ghana and Nigeria, elect to place less emphasis on cocoa and strive for agricultural diversification, production increases will be more limited.

Consumption has been increasing, but not as fast as production. This has resulted in a "high inventory" position with low prices. Most excess stocks are held by consuming countries; producing countries do not have suitable facilities or favorable climate for cocoa storage. Today's supply position contrasts with that of a few years ago, when supplies were tight and prices high.

The increase in world consumption has been going on over the past several years and in all major consuming countries. In the United States, grindings of cocoa beans during 1962 totaled 254,400 tons, compared with 245,100 in 1961; and in 1963 they are expected to rise 4 percent.

Consumption has risen too in Europe, and Japan and some of the Bloc countries are showing a very strong demand. Future expansion in consumption, however, will be affected by the level of import duties and internal taxes in major consuming countries.

Present estimates indicate that world production and consumption of cocoa will be in virtual balance this year, but this assumes a continued substantial increase in consumption, which may not take place if prices rise materially above present levels. They have already advanced in recent weeks from 20 cents per pound to about 25 cents following the reduction in the estimates for the 1962-63 crop. Continued price increases will reduce consumption, for manufacturers will use more of the lower priced extenders and substitutes.

For most countries that export cocoa it is an important earner of foreign exchange. This is particularly true in West Africa, where cocoa is grown mostly on plots of 5 to 10 acres rather than on plantations as in Latin America. The large number of farmers involved, together with cocoa's importance to the countries, means that West African governments are faced with weighty decisions, both political and economic, in developing cocoa policies. It should be noted that the increase in world production since 1955-59 almost precisely equals the African increase.

The potential exists for a much larger world cocoa crop. Cocoa is highly susceptible to diseases and pests; but both Latin America and Africa have had considerable success with control methods, and research will reveal others.

The usefulness of fertilizers for increasing yields has been demonstrated in most of the major producing countries. High-yielding clonal material has been discovered and is being utilized. A number of Latin American countries are concentrating on replacing their older trees with improved high-yielding varieties that will step up both the quality and the quantity of production. With government help and price incentives, undoubtedly all older trees could gradually be replaced.

But maintaining cocoa production in line with demand so that both producers and consumers are happy is not an easy chore. Cocoa is a tropical tree crop, requiring several years after planting before any production is realized. Decisions about plantings may have to be made at a time when world market conditions are very different from what they will be when the trees come into production. Other matters too have a bearing on the supply-demand relationship for cocoa. Among these are world prices for sugar, nuts, and coconut—all confectionery ingredients.

An up-and-down pattern in cocoa supplies, with sharp price fluctuations, has characterized the world cocoa market. Historically, the balance between supply and demand is often so delicate that rather small production variations or trade shifts can cause marked price reactions. Over the past few years, producing and consuming countries have made efforts, through FAO and other international forums, to develop on international arrangement providing stability for supplies and prices, to the mutual benefit of producers and consumers.

Last year, a Cocoa Producers Alliance was formed among six countries that account for three-fourths of world production. The Alliance has thus far limited itself to such activities as exchanging information, discussing mutual problems, and promoting consumption.

The FAO Cocoa Study Group, meeting in Trinidad March 25-30, is expected to decide whether a United Nations Negotiating Conference should be called in the summer to negotiate a long-term producer-consumer cocoa agreement. Cocoa interests all over the world will be watching the discussions in Trinidad during this week.

World COTTON Crop Once More at Peak

By VERNON L. HARNESS
Cotton Division
Foreign Agricultural Service

World cotton production in 1962-63 is now estimated at 49.6 million bales. This is 2.1 million bales, or 4 percent, above last season's crop of 47.5 million and exceeds annual average production during 1955-59 by 6 million.

This is the fifth successive year in which world production rose to a new record. In the current season, 80 percent of the increase took place outside of the United States, and about 0.3 million bales of the foreign increase was in extra long staple cotton.

The total world area devoted to cotton in 1962-63, estimated at 83.8 million acres, though considerably below the record, represents an increase for the fourth consecutive year. Contributing to this season's record production is the exceptionally high world yield of 285 pounds of lint per acre. This is 10 pounds larger than the per unit output in 1961-62.

World production apparently will exceed world consumption this season for the first time since 1955-56. Consequently, the steady reduction in world stocks since that date appears to be reversed. Of special significance is the likelihood that U.S. stocks next August will rise to about 10 million bales. This 2.1-million-bale increase is equal to the estimated rise in world stocks.

The 1962 U.S. crop is estimated at 14.7 million bales, 0.4 million larger than a year earlier. A near-record yield of 455 pounds per acre accounts for the larger crop this season since harvested acreage of 15.5 million acres is slightly less than the previous season's area.

Mexico's 1962-63 cotton crop of 2.3 million bales was well above that of the previous season, largely as a result of high yields. Much of the increase occurred in Matamoros, where weather was excellent, and in smaller new areas, such as Altamira.

The area devoted to cotton in Central America rose again this season, stimulated by favorable returns over the past several years and by encouragement from some governments. Generally favorable growing conditions and larger acreage have contributed to record crops now being harvested.

Except in Brazil, cotton production this season in most of South America is likely to equal or exceed moderately last season's large crops.

Production in *Peru* still seems likely to equal last season's figure of 600,000 bales.

Argentina overcame unfavorable early season weather, and the crop is now expected to total about 550,000 bales, compared with the revised 1961-62 figure of 482,000.

Production in *Brazil* in 1962-63 is now estimated at 2.3 million bales, compared with 2.5 million a year earlier. Estimates this season have been reduced in the wake of persistent reports of untimely heavy rains and of increased insect infestation in South Brazil.

Under the influence of generally favorable growing conditions, cotton production in Africa as a whole increased about 0.8 million bales this season. A large share of this rise was accounted for in *Egypt*. The third official estimate placed Egypt's crop at 2.1 million bales, 0.1 million lower than the second estimate but over one-half million above the previous season.

In contrast with Egypt's bumper crop, *Sudan's* production this season may show a moderate decline from the 1961-62 crop, although this season's crop is second only to the 1961-62 record. Plantings this season eased slightly, and last year's exceptionally high yields may not be matched.

Trade estimates for both India and Pakistan have been raised as the season progressed. *India's* 1962-63 crop is now placed at 4.5 million bales, well above last season's crop of slightly over 4.0 million. Larger area planted to cotton this season more than offset considerable flood damage in parts of the Punjab and Gujarat. The estimate of *Pakistan's* current crop was raised following reports of yields well above a year earlier, despite a 244,000-acre reduction in area.

Cotton production in most Near Eastern countries continued to climb in 1962-63. Much of the increase occurred in *Syria,* where this season's crop hit an all-time high of around 720,000 bales. The large crop reflects a sharp rise in acreage, though yields were below last year's favorable level.

Cotton production in Communist countries as a group is forecast at 13.8 million bales, down 0.1 million from the previous season. A sharp decline in the USSR, caused by continued problems with soil salinity and water shortages, was largely offset by an increase in China, where conditions are reportedly more favorable than a year ago.

EEC To Revise Its Proposals for Rice

Some compromise could still be reached in the Common Market's rice policy that would lower barriers against U.S. rice imports.

By DEXTER V. RIVENBURGH
Grain and Feed Division
Foreign Agricultural Service

Last month the European Economic Community Council withdrew its proposed rice regulations and instructed a group of experts to draw up a new draft. To what extent these new proposals may be instrumental in solving some of the problems that have troubled the Community for the last year and a half is not known. Nor is it known whether a compromise will be reached permitting the non-rice-producing countries of the EEC greater access to world supplies. Yet whatever shape the final action may take, it will certainly incorporate some of the basic principles laid out in previous proposals.

In these earlier proposals, initially drafted in 1961 and revised the following year, one thing is clear. To protect intra-Community rice production and to regulate trade with nonmember countries, producer prices will be set annually at levels necessary to maintain desired production in the Community's two rice-growing countries, Italy and France.

Thus, the EEC's production goal becomes a very important factor in the world rice trade. Should producer prices be set at the present Italian level, this would mean prices at from 3 percent to 11 percent higher than producer prices in the United States. Should the level fall somewhere between the current Italian levels and those of France, then the prices would be even higher. And since Italian rice production has been declining for the last 3 years, it might be that producer prices would be forced upward in order to carry out the policy of maintaining "desired levels of production."

In computing the EEC's variable levies—which are in reality adjustable tariff duties on imports—the producer price is the starting point. To this base will be added certain additional items representing allowances for marketing and storage costs, and transportation differentials between points of production and areas of utilization, plus a domestic preference adjustment. The total would make up a "threshold price."

In the period between the adoption of the regulations and the final setting-up of the Common Market's rice policy (originally scheduled for 1969), imported rice from outside the Community would be subject to a variable levy. This levy would be the difference between the threshold price and the average c.i.f. price selected for some preceding period on the basis of the lowest North Sea port quotations for rice entering the Community's non-rice producers —Germany, Netherlands, Belgium, and Luxembourg.

It is obvious that the levels at which the threshold price will be fixed constitute the key factor. The tendency will be to create an artificial, high-level price. Then by taking the lowest c.i.f. price, the variable levy, or the difference between the two prices, will also be high. In the transitional period this levy would tend to increase. And of course an artificially high levy would reduce rice imports since it would permit consumer prices to go up about 30 to 40 percent.

The EEC's rice policies also appear to favor a system of restrictive licensing, and this too would slow down or even prevent imports. Were such a protective measure carried through to its ultimate possibilities, an importer would first have to obtain a license. He would not, however, be able to accurately compute the variable levy which might apply at the time the rice arived at port, unless a premium were paid in advance to fix the amount of the levy. Also, he might have to make a deposit guarantee to cover the shipment. Quite aside from the question of whether or not a license could be obtained, these additional charges and their uncertainty might seriously impede contractual arrangements.

It is clear, therefore, that any agreed regulations that would carry out a policy aimed at high producer prices, maintenance of production, and restriction of imports would have a drastic effect on the existing patterns of the Community's rice trade.

For the American rice producer the question which arises is whether there exists a basis for compromise which would prevent U.S. rice exports to the European area from being seriously cut back. The answer could be "yes"—provided it is recognized that the rice produced within the Community is of a single type, i.e., the soft-cooking short grains, which can supply only a minor part of what the consumer wants and needs.

Should such a compromise come about, it would be possible for a domestic production to be afforded a reasonable amount of protection and at the same time, imports permitted. This could be done by establishing threshold prices at the boundaries of South Germany where consumption of short-grain rice is the greatest, rather than using location differentials, which represent freight costs from the Italian and French rice-growing areas to ports on the North Sea. The rice needed to meet consumer requirements and not produced in the EEC countries could then be brought in through regular channels of trade under a simple system of tariff charges.

The decision of the EEC council last month to draft a new set of rice regulations in order to meet the opposition of its non-rice-producing countries may be a move in this direction. The contention of the non-rice producers has been that under the regulations discussed up to now they have been either limited in their access to world supplies or have been denied such access entirely.

This is the last of three articles, *Rice in the Common Market.*

Cattle Promotion in Far East Gives Rise To Good Market for Sales of U.S. Jerseys

The airlift of 13 U.S. purebred Jersey cattle to the Ryukyu Islands is the most recent joint effort of FAS and the American Jersey Cattle Club (AJCC) to open new markets in the Far East for U.S. Jerseys.

Superintending the shipment to the Ryukyus was Maurice E. Core, AJCC marketing specialist. Mr. Core also made stops in Japan, the Philippines, and Taiwan where he conferred with government officials and importers, and advised farmers on various aspects of dairy farm management.

"Every country I visited expressed an interest in purchasing U.S. dairy cattle," Mr. Core said. "Considering the population of these Far Eastern countries, their desire to expand their dairy industries, and their preference for U.S. cattle, it seems advisable to continue market development work in this part of the world."

Market development in the Far East got underway in 1961 when P.L. 480 funds became available to provide transportation costs for trade missions to and from the United States. The AJCC matched these funds for promotional activities. Around that time also U.S. shipping costs were reduced, making U.S. cattle competitive —a factor which had hampered trade in the past. (In the early 1950's, because of high freight rates the United States supplied only 500 head of 20,000 Jerseys purchased by Japan.)

The first of these trade missions was a Japanese dairy team that visited the United States in 1961 and inspected dairy operations. Later that year, AJCC and FAS specialists went to Japan to conduct judging demonstrations and lecture on dairy farm management. The AJCC may invite one or two Ryukyuan farmers to receive farm management training in the United States.

Experience in the Philippines, Japan, and Vietnam has shown that with good management—the key factor—Western breeds in this part of the world have maintained their fertility and even produced more milk than did their U.S. dams. They also adapted well to Far East climates.

U.S. Rice Being Shown At Big London Exhibit

The U.S. Rice Export Development Association is now in its fourth and last week of promoting U.S. rice with British consumers at the Ideal Homes Exhibition in London. The show, biggest of its type in the United Kingdom, is a semiannual affair which between March 5 and 30 is expected to draw about 1,250,000 customers.

Reports from London say the U.S. rice exhibit is more than meeting its goal of one thousand sample packages of rice sold a day. The rice booth is manned by 4 young women who demonstrate and cook rice dishes.

Markets To Watch—

U.S. Edible Vegetable Oils To Supply Four-Fifths of Iranian Import Needs

Iran, with an edible oils refining industry expanding rapidly in both output and quality to meet the country's growing need for shortenings and margarines, has become a dollar outlet for soybean and cottonseed oils from the United States.

Since 1961, when P.L. 480, or U.S. government-programmed deliveries of vegetable oils to Iran ceased, this country's strengthened economy has afforded the United States increased opportunity to sell for dollars. In 1962-63, four-fifths of Iran's edible oil imports will come from the United States, and will be paid for in dollars. Tonnage imported will probably amount to 25,000 metric tons, of which the United States will supply 20,000 tons.

Stimulated by an increasing population and a rising standard of living, Iranian oil refining plants are operating at near capacity and plans for expansion in output are under way. Domestic production of cottonseed oil has thus far failed to keep pace with the industrial refining capacity. To the United States, this lag means an opportunity for increasing its exports of semi-refined cottonseed oil, which Iranians are accustomed to using, and also soybean oil, which is winning wider acceptance.

The Soybean Council of America is helping overcome Iranian unfamiliarity and lack of processing know-how with soybean oil. The Council's technicians in Iran are advising the local industry on how to improve refining methods so that soybean oil products are consistent in quality, flavor, and taste. The result so far has been greater acceptance and use of soybean oil.

The future of U.S. cottonseed and soybean oils in the Iranian market looks good. As demand for U.S. semi-finished oils has increased, imports of processed vegetable oils from Europe has declined. The local refining industry wants to produce enough to fill all domestic needs. Semi-refined oils will be needed, and as bulk oil handling facilities at the port of Khorramshahr are expanded, the U.S. competitive position in Iran may be expected to improve further. By 1965, Iran's import requirements for vegetable oil are expected to exceed 40,000 tons, with the United States supplying upwards of 30,000 tons annually for additional refining.

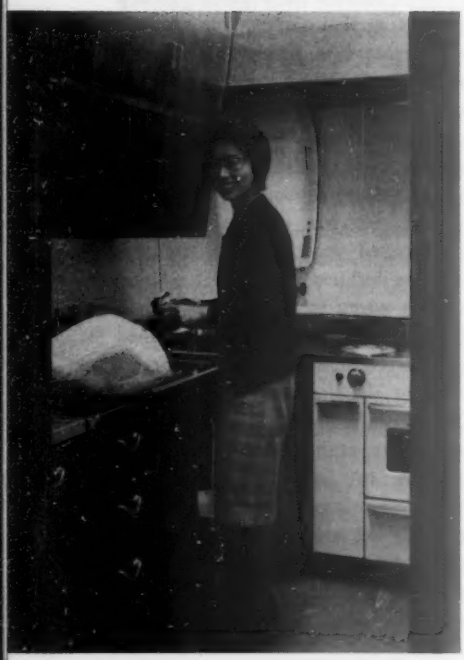
The Center is in a modern building on an important business street in Tokyo.

In his office, below, Assistant Attaché Strobel talks to representatives of two U.S. trade groups.

U.S. Trade Center in Tokyo

In Tokyo, where space is at a premium, the spacious quarters of the new U.S. Trade Center will provide U.S. exporters and trade group representatives with a valuable away-from-home "office" in which to transact business with Japanese businessmen. The Center's three floors are shared by the U.S. Departments of Agriculture and Commerce. On the first floor is the main exhibit area. On the second is another exhibit area and the main businessmen's lounge. On the third are the offices of Assistant Agricultural Attaché, D. R. Strobel, and the facilities shown here.

For information, write Internat'l Trade Fairs, FAS, USDA, Washington, or Agricultural Attaché, U.S. Embassy, Tokyo.



A businessman, below, uses telephone in the lounge. This room can be used for meetings by closing the sliding doors to separate it from the demonstration area in foreground, of which the kitchen (left) is a part.

Quality of Rhodesian 1963 Tobacco Lowered

Excessive rains have reduced both the quality and yield of the Rhodesias' 1963 flue-cured and burley tobacco crops. Despite record plantings in Southern Rhodesia, the 1963 flue-cured crop reportedly contains a larger-than-normal proportion of light, thin-bodied leaf which definitely lacks aroma and flavor this [latter statement] has been confirmed by various representatives attending the World Tobacco Conferences recently held in Salisbury.

The first official forecast of the 1963 harvest for all types of tobacco in the Federation is 270.6 million pounds, or about the same as the 270.3 million for last season. The flue-cured harvest, however, is down to 225 million pounds from a record acreage of 240,000, compared with the 1962 harvest of 234.3 million from 229,700 acres. This reduction was partly offset by a larger harvest of all kinds of tobacco in Nyasaland.

Record plantings of burley also occurred this season but the rains reduced the final outturn, particularly in Southern Rhodesia. The harvest is currently estimated at 7.5 million pounds, down from an earlier season forecast of about 10 million but still 33 percent above the 5.7 million harvested last season.

The harvest of fire-cured tobacco in Nyasaland is officially forecast at 30.0 million pounds—almost 20 percent greater than the 1962 harvest of 25.3 million.

The harvest of oriental and other air-cured types in the Federation is also expected to be larger than last season. Oriental is estimated at 1.750,000 pounds, compared with 711,000 pounds last year. Harvest of other air-cured types is placed at 6.5 million pounds—up 50 percent from the 1962 harvest of 4.3 million.

Canada's Tobacco Exports Set New Record

Canada's exports of unmanufactured tobacco during 1962 totaled 48.6 million pounds—a new high. Larger shipments to West Germany, the Netherlands, Trinidad, Australia, and Belgium accounted for most of the increase over the previous year.

Shipments to the United Kingdom, the principal export market, totaled 35.4 million pounds, compared with 33.8 million in 1961. Exports to West Germany, at 5.4 million pounds, were almost nine times larger than the 624,000 for the previous year. Shipments to the Netherlands rose to 1.7 million pounds from only 26,000 in 1961. Also, larger shipments to Trinidad, Jamacia, Australia, Portugal, Finland, Sweden, Norway, and Belgium more than offset smaller exports to Denmark.

Exports of flue-cured totaled 46.8 million pounds, valued at the equivalent of 67.1 U.S. cents per pound, compared with 1961 shipments of 37.4 million at an average price of 72.0 cents. Larger shipments, especially to West Germany, the Netherlands, Australia, Trinidad, Jamaica, and Belgium accounted for most of the gain.

Flue-cured shipments to the United Kingdom, at 34.5 million pounds (70.7 U.S. cents per pound), were 2.5 percent larger than the 1961 level of 33.6 million (72.9 cents per pound). Shipments to West Germany totaled 5.4 million pounds, valued at 56.3 cents per pound, the Netherlands 1.1 million (40.3 cents), Australia 1.0 million (94.0 cents) and Belgium .6 million (32.0 cents). Average prices paid for Canadian flue-cured last year by Denmark, Finland, Norway, Sweden, Portugal, Switzerland, and Hong Kong were 65.5, 40.5, 64.4, 45.1, 33.2, 39.0 and 20.7 cents per pound, respectively.

Exports of burley last year, at 1.5 million pounds, were about three times larger than the .5 million shipped in 1961. The average export price per pound was equivalent to 60.1 U.S. cents, compared with 58.0 cents for the previous year. Shipments to the United Kingdom totaled 849,000 pounds valued at an average price of 62.3 cents per pound. Average prices paid per pound (in cents) for Canadian burley last year were: Netherlands, 55.5; Portugal, 50.9; Norway, 64.2; Denmark, 71.9; and West Germany, 58.0.

World Agricultural Production and Trade Statistical Report for March will carry a table with details.

Report Causes U.K. Cigarette Drop

A 5-percent decline in cigarette sales in the United Kingdom during 1962 has been attributed to the Royal College of Physicians' report, *Smoking and Health* published in March 1962.

Total cigarette sales in the United Kingdom were 230.9 million pounds compared with 243.1 million sold in 1961. Sales of non-filter-tipped cigarettes, at 178.1 million pounds, were down 11.8 percent from the 1961 level of 201.9 million and were the smallest since 1949.

Although sales of filter-tipped cigarettes rose to 52.8 million pounds from 41.2 million in 1961, the increase was not enough to offset the decline in non-filter-tipped sales. Filter tips represented about 26 percent of total cigarette sales, in terms of pieces, compared with 19.5 percent in 1961.

Sales of pipe tobacco were up slightly, reflecting a swing from non-filter-tipped cigarettes. Total sales of pipe tobacco amounted to 17.2 million pounds, compared with 16.4 million for the previous year. Sales of hand-rolling tobacco, at 15.8 million pounds, were down slightly from the 16.0 million pounds sold in 1961. Combined sales of cigars and snuff totaled 2.7 million pounds—up slightly from the 1961 level of 2.4 million.

Sales of all tobacco products during 1962 amounted to 266.6 million pounds—down 4 percent from the 277.9 million sold in 1961 but similar to the 1959 level of 266.3 million pounds of tobacco.

Japan Sets Rice Import Plan

Japan's fiscal year budget provides $16 million for rice imports in the first half (April-September) of 1963-64. About $10 million of this is already set aside for specified

types, and $6 million has not been allocated.

The $10 million is for approximately 67,000 metric tons of rice. It includes 25,000 tons of short-grain from Taiwan and 10,000 of broken rice from Thailand. Both of these were scheduled for import in the last half (October-March) of fiscal year 1962-63, but have not yet been imported.

Also included in the 67,000 tons are 20,000 tons of glutinous rice and 12,000 of short-grain for which sources of supply are as yet undesignated.

French Wheat Finds New Buyers

The destination of French wheat exports which have increased 55 percent during the first half of 1962-63 have shifted significantly from shipments to member countries of the Common Market (especially West Germany)—to Communist countries in Europe and Asia.

See the monthly *World Agricultural Production and Trade Statistical Report* for complete details including a table showing wheat and flour exports by country of destination for July-December 1961 and July-December 1962.

U.S. Wheat and Flour Exports Lower

U.S. wheat and flour exports from July 1962 through January 1963 at 294 million bushels were approximately 28.6 percent below the same period a year ago.

Wheat exports were 112 million bushels less than the 357 million exported during July-January 1961-62. Exports of flour (grain equivalent) were 7 million bushels short of the 56 million exported a year earlier.

(See story in detail and table showing wheat and flour exports by country of destination for July-January 1962-63 compared with the previous year, in the March issue of the *World Agricultural Production and Trade Statistical Report* published monthly by FAS.

Argentina Exporting More Grain

Argentine grain exports for the first half of 1962-63 totaled 2.6 million metric tons compared with 1.7 million for the same period a year earlier.

Wheat and corn are the major grains exported from Argentina. Wheat exports at 803,000 tons more than doubled the 362,000 tons of a year earlier. Corn shipments of 1.6 million tons were 68 percent above the 954,000 shipped last season.

A table showing exports to principal countries and a detailed story will be published in the March *World Agricultural Production and Trade Statistical Report.*

Australian Wheat, Flour Exports Decrease

Australian wheat and flour exports during the crop year ending November 30, 1962, were 23 percent below the 232 million bushels exported a year earlier, but well above the long time average.

Wheat exports were 152.9 million and flour exports were 25.3 million bushels, respectively, compared with 202 and 29.8 million the previous season.

See March issue of *World Agricultural Production and Trade Statistical Report* for complete details including a table showing wheat and flour exports by country during crop years ending November 30, 1961 and 1962.

EEC Reduces Import Levy on Mandioca Meal

The EEC Council of Ministers on February 20 reduced the import levy on denatured mandioca meal from nonmember countries. The action extends through June 30, 1963. The levy was reduced from 40 percent of the barley levy to 30 percent of it, a decrease of approximately $5.00 per ton. Germany initiated this action, saying that a 40-percent-of-barley levy was prohibitive for mandioca imports from developing countries, especially Thailand and Indonesia. German imports of mandioca meal, used in its mixed feeds industry, are directly competitive with U.S. exports of feed grains.

The duty-free entry of mandioca meal from Madagascar and EEC-associated African countries was also continued through June 30, 1963.

Duty-free imports of mandioca meal by Germany were increasing in recent years before enactment of the EEC's Common Agricultural Policy on July 30, 1962. While Germany's imports of 300,000 tons annually are small compared to its total feed grain imports, the meal is directly competitive with other feed grains in the mixed feed industry. German imports during July-November 1962 were 76,000 tons compared to 121,000 tons during the same period last year. If imports of mandioca meal increase as a result of the lower levy, then feed grain import requirements will be smaller and imports from the United States could be reduced.

U.S. Feed Grain Exports Continue to Rise

U.S. feed grain shipments totaled 7.9 million metric tons for July-January 1962-63 compared with 6.7 million tons for the same period last year. Corn was the principal feed grain exported and accounted for approximately 53 percent of the total.

A detailed story and table showing exports to principal countries will be published in the *World Agricultural Production and Trade Statistical Report* for March.

West Germany To Permit Green Bean Imports

On February 27, the Government of West Germany issued an import tender on canned green string beans for all countries except the East Bloc and EEC countries. Applications for import licenses may be submitted until March 8, 1963, and will be valid through May 15, 1963.

Import licenses have been allocated to individual importers on the basis of imports under previous tenders. Under those tenders, about 90 percent of all licenses were allocated to importers of U.S. products.

U.S. Exports Less Cotton

U.S. exports of all types of cotton were 1,356,000 running bales in the first 6 months (August-January) of the current season, compared with 2,588,000 bales in the same period of 1961-62 and 2,700,000 bales of cotton in the

first half of the previous 5 seasons.

January exports reached 211,000 bales, compared with 383,000 in December and 381,000 in January 1962. Registrations for export under the current payment-in-kind program amounted to 2,565,960 bales through March 8, compared with 3,724,580 on about the same date a year earlier.

COTTON: U.S. EXPORTS BY COUNTRY OF DESTINATION, AUGUST-JANUARY 1962 WITH COMPARISONS

(1,000 running bales)

Destination	Year beginning August 1			August-January	
	Average 1955-59	1960	1961	1961	1962
Austria	33	35	33	19	5
Bel.-Lux.	160	179	100	58	40
Denmark	17	23	13	6	8
Finland	22	29	21	18	4
France	360	549	300	195	82
Germany, West	475	421	205	146	48
Italy	416	454	376	238	120
Netherlands	124	179	106	66	43
Norway	10	14	13	9	4
Poland & Danzig	85	228	139	0	7
Portugal	28	25	18	13	3
Spain	171	171	155	155	(1)
Sweden	75	101	99	61	21
Switzerland	64	99	75	55	23
United Kingdom	525	371	270	158	73
Yugoslavia	108	88	175	75	11
Other Europe	17	8	8	2	3
Total Europe	2,690	2,974	2,106	1,274	495
Australia	54	49	64	30	14
Canada	217	259	397	203	124
Chile	35	51	12	11	(1)
Colombia	33	0	1	0	(1)
Cuba	27	2	0	0	0
Ethiopia	4	4	13	6	7
Hong Kong	134	219	104	39	25
India	184	599	216	24	54
Indonesia	30	36	46	31	27
Israel	16	9	10	3	2
Japan	1,154	1,746	1,028	563	335
Korea, Rep. of	205	195	300	141	92
Morocco	10	9	14	10	5
Pakistan	14	5	40	5	(1)
Philippines	64	149	142	53	59
South Africa	26	51	52	31	6
Taiwan (Formosa)	153	176	256	81	66
Thailand	4	23	30	15	10
Uruguay	15	18	11	9	0
Venezuela	2	(1)	16	16	4
Vietnam [2]	2	26	30	23	28
Other countries	27	32	27	20	3
Total	5,100	6,632	4,915	2,588	1,356

[1] Less than 500 bales. [2] Indochina prior to 1958. Includes Laos and Cambodia.

Cotton Division, FAS, from Bureau of Census records.

First P.L. 480 Textile Compact Made

The first agreement for U.S. manufactured cotton textiles under Title I of Public Law 480 was recently negotiated to provide for the sale of $146,000 worth of cotton to the Republic of the Congo.

The cotton will be sold in the form of approximately 1 million yards of gray fabric (unfinished cotton material). Only the equivalent raw cotton content, however, will be financed under Title I.

The goods will be finished in Congolese plants, with processing such as bleaching, dying, and the addition of prints and designs. These plants have an excess capacity for finishing textiles because of the limited local production of gray cloth in the Congo.

Australian Meat Shipments to the U.S.

Six ships left Australia the third and fourth weeks of February with 18,854,080 pounds of beef, 2,882,880 pounds of mutton, 548,800 pounds of lamb, and 51,520 pounds of variety meats for the United States.

AUSTRALIAN MEAT SHIPMENTS FEBRUARY 20-FEBRUARY 25

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
Eastern and Gulf ports:				*Pounds*
Pioneer Gem	Charleston	Mar. 23	Beef	33,600
Feb 20	New York	Apr. 1	Beef	150,080
	Baltimore	Apr. 5	Beef	67,200
Townsville Star	Tampa	Mar. 19	Beef	1,126,720
Feb. 20			Mutton	347,200
			Var. meats	11,200
	Charleston	Mar. 22	Beef	351,680
			Mutton	369,600
			Var. meats	22,400
	Norfolk	Mar. 23	Beef	618,240
			Mutton	248,640
	Philadelphia	Mar. 25	Beef	483,840
			Mutton	78,400
			Lamb	129,920
	New York	Mar. 27	Beef	5,324,480
			Mutton	288,960
			Lamb	71,680
	Boston	Mar. 31	Beef	1,323,840
			Mutton	333,760
			Lamb	154,560
			Var. meats	4,480
Crystal Sea	Philadelphia	Mar. 21	Beef	300,160
Feb. 21			Mutton	246,400
	New York	Mar. 22	Beef	4,305,280
			Mutton	660,800
	Boston	Mar. 27	Beef	770,560
			Mutton	44,800
			Lamb	56,000
			Var. meats	13,440
Western ports:				
Ellen Bakke	Seattle	Apr. 12	Beef	51,520
Feb. 20	Portland	Apr. 18	Beef	51,520
	Los Angeles	Apr. 26	Beef	114,240
	San Francisco	Apr. 30	Beef	100,800
Cap Valiente	Seattle	Mar. 12	Beef	448,000
Feb. 21			Mutton	33,600
	San Francisco	Mar. 15	Beef	1,151,360
			Mutton	78,400
			Lamb	15,680
	Los Angeles	Mar. 18	Beef	1,332,800
			Mutton	85,120
			Lamb	73,920
Monterey	San Francisco	Mar. 14	Beef	367,360
Feb. 25			Mutton	67,200
	Los Angeles	Mar. 18	Beef	380,800
			Lamb	47,040

[1] Cities listed indicate location of purchaser and usually the port of arrival, but meat may be diverted to other areas for sale.

Exports of Most U.S. Livestock Products Down

U.S. exports of lard, tallow, variety meats, sausage casings, and hides and skins were down sharply in January because of the longshoremens' strike which hindered movement from East and Gulf ports.

However, exports of meats rose 37 percent—to 10 million pounds—because of bigger pork, lamb, and mutton shipments to Canada. Exports of other types of meat fell below a year ago.

Mohair exports exceeded 1 million pounds in January, or 41 percent more than a year earlier. Exports of all types of hides and skins were down.

World Agricultural Production and Trade Statistical Report for March will carry a table with details.

Meat Is New Zealand's Largest Trade Earner

New Zealand's meat producing and processing industries became the largest provider of overseas currencies in 1962. The industries earned $276.4 million in 1962, a 6-percent increase over 1961. Meat products earned $217.3 million, and byproducts $59.1 million.

The largest receiver of New Zealand's meat and meat byproducts was the United Kingdom. It accounted for $156.5 million, or 51 percent of the exports, while the United States received 30 percent, paying $90.4 million for these products.

NEW ZEALAND'S MEAT AND MEAT BYPRODUCTS EXPORTS, CALENDAR YEARS 1960-62

Commodity	1960	1961	1962
	Mil. dol.	*Mil. dol.*	*Mil. dol.*
Meat	242.8	225.1	217.3
Sheepskins and pelts	23.8	25.8	26.9
Hides and skins	11.8	9.8	9.8
Sausage casings	12.9	10.6	9.8
Other meat byproducts	3.6	3.9	2.5
Tallow	8.6	9.8	10.1
Total meat	303.5	285.0	276.4
Wool	281.1	288.1	292.6
Dairy products	216.4	201.1	209.7
Other	63.6	52.6	61.3
Grand total	864.6	826.8	840.0

Reserve Bank.

U.S. Tallow and Grease Exports Below 1961's

U.S. exports of inedible tallow and greases in 1962 totaled 1.6 billion pounds, down 12 percent from 1961.

Most of the drop was the result of reduced buying by Russia, Japan, and the six EEC countries. Partially offsetting were increased P.L. 480 sales of Egypt, Pakistan, Poland, and Korea and larger dollar sales to Spain, a rapidly expanding market for U.S. tallow.

Japan and the Netherlands usually buy most U.S. exports of hog grease. However, both of these countries took less of this item during the year, accounting for a big part of the total drop in tallow and grease exports.

World Agricultural Production and Trade Statistical Report for March will carry a table with details.

Acreage, Peanut Harvest Greater in UAR

The United Arab Republic (Egypt) produced an estimated 54,480 short tons of peanuts (unshelled basis) from 54,504 acres in 1962, compared with 27,500 tons from 34,695 acres in 1961.

This very substantial increase is attributed to farmers' desires to increase peanut cultivation in the major peanut producing districts, greater loans to peanut growers through the Credit Bank, and favorable weather in the growing season, resulting in an average yield of nearly 1 ton per acre.

Peanut acreage is expected to increase further in the next few years. Additional acreage will be available from expanded land reclamation projects, and under the government's 5-year plan (1960-65), 31,000 acres of sandy soil, to which peanuts are particularly suited, will be added to Egypt's arable land. Most of the acreage increase in sandy and light soils will be in Tahrir Province and Wadi Natrun.

Both Egypt's farmers and government have considerable interest in peanuts. To the government they are a profitable export crop. To the farmers, peanuts are useful because they increase soil fertility and are more profitable than other crops.

UAR peanut exports in 1962 totaled 3,310 short tons (2,343 unshelled and 967 tons shelled) compared with 8,499 tons (6,109 unshelled and 2,390 shelled) in 1961. In the last 2 years the major markets were the Netherlands, Switzerland, and Canada.

Record Indian Earnings From Peanuts

India's foreign exchange earnings of almost Rs. 296 million (U.S. $62 million) from exports of peanuts and peanut products during 11 months of 1962 are reportedly highest on record. The increased earnings came mostly from larger exports of de-oiled peanut meal and renewed exports of peanut oil. This marked gain, however, was partly offset by smaller exports of expeller-type peanut cake and vanaspati.

INDIA'S EXPORTS OF PEANUTS AND PEANUT PRODUCTS CALENDAR YEARS 1959-62

				1962	
	1959	1960	1961	Jan.-Nov.	Est. Jan.-Dec.
	1	1	1	1	1
	1,000 Metric tons	*1,000 Metric tons*	*1,000 Metric tons*	*1,000 Metric tons*	*1,000 Metric tons*
Peanuts (shelled basis)	25.2	34.2	30.9	29.8	36.0
Peanut oil	41.3	1.7	1.5	29.0	34.0
Peanut cake	136.7	78.2	47.3	26.5	34.0
De-oil peanut meal	272.4	295.2	374.6	546.0	606.0
Vanaspati (hydrogenated peanut oil)	2.7	6.0	4.0	2.7	2.9
	Million rupees [1]				
Total value	236.1	184.2	186.3	295.8	

[1] 1 rupee = 21 U.S. cents.

A feature of the peanut and peanut-oil market during calendar 1962 was the reversal of the almost continuous upward trend in prices which began in 1958. Most of the price decline occurred during the last quarter of calendar 1962 following the Chinese aggression on India's northern border.

This decline is trributed to a number of factors, such as: (1) the trade's expectation of a large crop in 1962-63; (2) increased market arrivals (producers were anxious to liquidate their holdings because of the government's declaration to hold the price line during the emergency period); (3) smaller purchases as a result of stringent credit conditions and uncertain poltical situation; (4) anticipation of a record rape and mustard crop of 1.4 million tons; and (5) the holding of large undisposed stocks by the State Trading Corporation.

The sharp decline in prices of peanuts has put the price of Indian hand-picked, selected peanuts on a par with world prices. If the present price level remains steady in coming months, India may be able to export about 40,000 metric tons in 1963 (1962 = 36,000 tons).

Current peanut oil prices in India are about 15 to 20 percent lower than last year, but they are still above world prices. Exports of oil, therefore, are possible only under the export incentive scheme linking exports of peanut oil with imports of copra and palm oil.

India's policy on peanuts and peanut products exports was modified during 1962 in view of the country's need for increased foreign exchange resources. Peanut oil and de-oiled peanut meal (solvent extraction type) having less than 1.5 percent oil content may be licensed freely for export without quantitative ceilings. Ordinary peanuts, which were not allowed to be exported previously, can now be exported subject to issuance of quotas by the government —as is the case with hand-picked, selected peanuts (both kernels and in-shell basis) and peanut oilcake (expeller type).

The final official estimate of India's 1962-63 peanut crop has not become available as yet. Estimates vary as to whether the crop was slightly above or slightly below the 4,757,100-metric-ton peanut outturn which was produced in 1961-1962.

France and Dahomey Sign Peanut Agreement

France and Dahomey recently signed an agreement setting the quantity of peanuts Dahomey could sell France this year—10,700 metric tons at a guaranteed minimum price of $20.60 per 100 kilograms (9.3 cents per pound). Under former similar agreements, Dahomey was given a quota of 13,000 tons in 1961 and 11,000 tons in 1962. Because of weather conditions and a shortage of seed peanuts, only 4,500 tons of peanuts were sold to France by Dahomey in 1962.

A peanut agreement is renegotiated annually to set Dahomey's quota of the French market. These agreements will end in 1965, when, under Common Market agreements, French preferential prices for peanuts will be discontinued.

Argentine Peanut Acreage Down Slightly

Higher support prices and continued favorable market prices are encouraging large peanut plantings in Argentina for the second straight year, although they are down slightly for 1962-63. Official estimates for that year set plantings at 691,880 acres.

The support price for the 1962-63 crop is 1,100 pesos per quintal (3.7 cents per pound converted at 135 pesos to the U.S. dollar) compared with 900 pesos a year earlier (4.9 cents per pound at 83 pesos to the dollar—the pesos value early in 1962). New-crop peanuts were quoted in mid-February at 1,700 pesos (5.7 cents at 135 pesos to the dollar) for deliveries occurring during the months of April and May of this year.

Official estimates are not yet available for 1962-63 production. Córdoba, the major producing Province, had a dry spring but had heavy rains in January and February. Assuming that yields will be somewhat lower than the high level of 1962, production may not exceed 415,000 short tons compared with last year's record of 477,296 short tons of Argentine peanuts.

Smaller Peanut Crop for Senegal

Senegal's 1962-63 commercial peanut production (for crushing and export) will approximate 880,000 short tons of unshelled nuts, according to the Office De Commercialization Agricole (OCA). This is considerably less than preliminary estimates had indicated (*Foreign Crops and Markets,* October 22, 1962) and 10 percent less than the preliminary estimate of a record 981,000 tons in 1961-62. Moreover, it is slightly smaller than the final 1960-61 estimate of 895,550 tons.

Allowing 72,000 tons for seed and 38,000 tons for domestic consumption gives a total 1962-63 crop of 990,000 tons compared with the 1961-62 estimated record 1.1 million tons.

The agreement between France and Senegal provides that France will purchase the equivalent of 215,000 metric tons (237,000 short tons) of unrefined oil, half of which is to be delivered in the form of shelled peanuts (*Foreign Agriculture,* March 4, 1963). In view of the reduced estimate of the commercial crop, France will take practically all of the exportable outturn.

Spain's Olive Oil Production Reduced

Spain's 1962-63 olive oil production is now estimated at 260,000 metric tons (287,000 short tons); an earlier estimate was 340,000 metric tons (365,000 short tons). See *Foreign Agriculture,* January 21, 1963 for additional information.

The expected outturn is 24 percent below the 340,000 tons produced in 1961-62 and down almost half from the 500,000 of 1960-61.

This decline reflects losses from the severe winter weather of late December, January, and February. Heaviest losses occurred in the central provinces where heavy rains were followed by snow and wind during late January and early February. Because of traditional late harvesting in this area, a large proportion of the fruit was still on the trees. Temperatures dropped to near zero in Madrid and many olives fell from the trees. Harvesting was not completed until recently and the volume of the crop that might finally be salvaged is not known at the present time.

India Plants More Rapeseed and Mustard

India's 1962-63 rapeseed and mustardseed plantings, according to the first official estimate, are placed at 2,954,000 acres, up 10.3 percent from the corresponding estimate of a year ago. The first estimate has, in the past, represented only about 40 percent of the total area planted. Total plantings of the rapeseed and mustardseed in 1962 amounted to 7,598,000 acres.

The increased plantings occurred largely in the Punjab, Uttar Pradesh, and Bihar districts of northern India as a result of favorable weather during the planting season. The condition of the crop was reported to be generally satisfactory except in the north-central and northeastern districts of Madhya Pradesh and Bihar where crops have been set back by dry weather.

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Drop Forecast for Uruguay's Peanut Crop

The 1962-63 peanut crop in Uruguay has been unofficially forecast at 7,200 shot tons, unshelled basis. This forecast represents a production decline of about one-sixth from the 1961-62 crop but is about equal to the 1960-61 output.

The decline reflects delayed and reduced plantings resulting from dry weather, and decline is expected despite the government subsidy of 150 pesos per planted hectare ($33.85 U.S. dollars per acre) and increased prices. Weather conditions following late plantings have been favorable with adequate rainfall and moderate temperatures. Above-average yields are expected.

URUGUAY: PEANUT ACREAGE AND PRODUCTION MARKETING YEARS 1958-59 THROUGH 1962-63

Marketing year	Area	Production
	1,000 acres	*1,000 short tons*
1958-59	20	3.3
1959-60	21	5.8
1960-61	21	7.2
1961-62	25	8.6
1962-63 [1]	21	7.2

[1] Unofficial forecast.

No imports or exports of peanuts or peanut oil were made in 1962, and no exports are expected to be made in 1963. Virtually all of the 1961-62 crop was sold to the National Subsistence and Price Control Council for use in oil manufacture.

Prices of 1961-62 crop peanuts offered by the government at 130 pesos per 100 kilos (5.4 U.S. cents per pound) were almost one-fifth above the average price paid in 1961. Peanuts, in shell, for food in 1962 retailed at 2.60 to 3.70 pesos per kilo (10.8 to 15.3 cents), up slightly from 1961. The average wholesale price for peanut oil at 575 pesos per 100 kilos (23.8 cents) declined 13 percent from 1961. This decline resulted from direct Government sales to the public at 5.3 pesos per kilo (22.0 cents).

Ivory Coast Is Growing Rice Importer

Ivory Coast takes significant quantities of rice from various countries. In 1962, the rice came principally from Brazil, Mexico, Egypt, and Mali.

In the 5 years ending in 1961, imports averaged nearly 29,000 metric tons a year. The major sources of supply were Mainland China, France, and Cambodia.

The country produces about 160,000 tons of rough rice (100,000 milled) annually. Moving toward self-sufficiency in food, the government has adopted a long-term program to improve, develop, and diversify food crops—one of them, rice.

Swiss Dairy Trade Drops

Although Switzerland imported 20 million pounds of cheese in 1962, an increase of 3 million pounds over 1961, its other dairy imports declined. Principal cheese suppliers were Italy, 10 million pounds; France, 4 million; the Netherlands, 3 million; and Denmark, 2 million.

Condensed milk imports declined from 15 million pounds to 9 million, largely the result of a sharp reduction in shipments from the Netherlands, the main source.

Butter purchases at 8 million pounds were down about 40 percent from the high level of 1961. Smaller shipments from the Netherlands accounted for most of the decline in butter trade.

Exports of cheese declined 3 percent to 69 million pounds, largely because of considerably smaller purchases by Italy, the United States, and West Germany, which normally take a total of over 60 percent of Switzerland's cheese exports.

Condensed milk shipments were down 25 percent to 9 million pounds. Sales to the Philippine Republic, the principal outlet, declined 17 percent to 4 million pounds. Thailand was the only country among Switzerland's major markets which increased its purchases in 1962—4 million pounds compared with 3 million a year earlier.